

THE RELATIONSHIP BETWEEN PUBLIC FUNDING & PRIVATE SUPPORT

Gretchen Dobson

Another global trend is the relationship between public funding and private support for higher education. Decreased public funding requires institutions to attract and retain new sources of private support in the form of individual giving, individual and family estate planning, and corporate and foundation philanthropy.

What are the trends in education costs in the United States? According to the National Center for Education Statistics (of the U.S. Department of Education), for the 2010-11 academic years the annual current dollar prices for undergraduate tuition, room, and board were estimated to be \$13,600 at public institutions, \$36,300 at private not-for-profit institutions, and \$23,500 at private for-profit institutions. This is not the universal story for the U.S. as each of the 50 states sets their own rates at public institutions.

In the United States and Canada private giving to college and universities has been institutionalized in the 20th century with the formation of alumni associations, the promotion of capital campaigns, and the attractive charitable tax benefits afforded to both the donor and the beneficiary. More students are attending colleges and universities on scholarships, grants and financial aid.

The story is different in the UK. Academic fees are accelerating the pace of change for what is expected across England's higher education system. Once a public good provided at no cost to students, economic austerity measures introduced by ruling governmental parties have created new price tags for higher education institutions. The cost of education has grown exponentially since the inception of the first fees of £1,000 in 1998. Along with the most recent tuition spike of £9,000 come new requirements of universities to better serve underrepresented students. Access Agreements require universities to sponsor programs and initiatives that help students in lower socio-economic brackets get financial aid for higher education.

The culminating impact of these changes in England has raised two key questions: Will more bursary support offset the perception of an unattainable university education with a 200% increase in tuition and fees? Will institutions be able to raise more money from private sources to support a growing number of needy students? The majority of higher education institutions in England (excluding historical icons such as Oxford and Cambridge) have nascent alumni relations programs and this may affect fundraising. Have institutions invested enough in alumni relations *"up front"* to weather the forces produced by the newest era of tuition and fees?

A note on corporate and foundation philanthropy: corporations and foundations have succeeded in helping advance higher education goals within the country of origin, on behalf of a particular region, or by way of a wider internationalization agenda. Not all attempts, however, have been without controversy. In some cases, an equal share of negative attention has balanced an assumed expectation that all outside money is a good thing.

Finally, shifting more of the financial burden from the state to private sources created a new consumer relationship between institution and its undergraduates or future alumni. Across the world, students and alumni are more intentional than ever about how their degree impacts their employability. The university degree must bear utility. Universities must respond by creating more resources for both students and their recent alumni.